## The Blue Ribbon Citizens Committee on Missouri's Transportation Needs Committee Meeting Minutes – June 1, 2012

The June 1 meeting of the Blue Ribbon Citizens Committee on Missouri's Transportation Needs was held at the Springfield Area Chamber of Commerce in Springfield.

The meeting was called to order by Bill McKenna, co chair of the Blue Ribbon Committee.

Committee members in attendance were:

Tom Crawford Duane Michie
Estil Fretwell Ed DeSoignie
Jim Anderson Scott Smith
Randy Verkamp Mark Stidham
Brian Meisel John Nations

Mr. McKenna spoke on the importance of the creation of the Blue Ribbon Citizens Committee. Mr. McKenna stated the objective of the committee is to look into ways to improve safety and promote economic development and identify possible solutions to pay for future transportation improvements.

Mr. McKenna opened the meeting by telling those in attendance that the committee has been listening to previous testimony that was focused on transportation needs. He encouraged those in attendance to instead direct their testimony on how to pay for the needs.

There were 172 persons in attendance. Special guests recognized for their attendance were Senator Bill Stouffer (R-Napton), Rep. Charlie Denison (R-Springfield), Rep. Thomas Long (R-Springfield) and Stacy Burks, U.S. Senator Blunt's office. Joe Carmichael, member of the Missouri Highways and Transportation Commission, had planned to attend the public hearing but sent his apologies for being called out of town at the last minute.

At the request of Chairman McKenna, the committee approved the minutes from the Blue Ribbon Committee meetings held on May 14 in Chesterfield and on May 21 in St. Joseph.

MoDOT Director, Kevin Keith, began the public hearing by testifying before the committee that the state of Missouri has a problem on both the state and federal levels on how to adequately fund transportation.

Mr. Keith stated the current fuel tax collection process is broken. Currently, MoDOT receives approximately seventy percent of every dollar. The fuel tax hasn't been increased on the state level since 1992 and the federal fuel tax hasn't been increased since 1993. In the meantime, the cost of asphalt has increased from twenty-one dollars a ton in 1992 to sixty dollars a ton today. Likewise, a cubic yard of concrete in 1992 sold at fifty one dollars; and today a cubic yard of concrete sells at \$153.00.

Mr. Keith said the other problem is that the world is changing. Cars are getting better fuel mileage. In fact, the federal government is imposing stricter CAFÉ standards on new

automobiles being manufactured. For example, in 2030, new cars will be required to provide 50 miles per gallon; this is good for the environment, but bad for funding infrastructure. Also, while vehicle miles traveled remains constant, fuel revenues continue to decline. This is a result of cars getting better fuel mileage and newer vehicles being introduced into the market place, such as electric cars and commercial trucks now operating on compressed/liquefied natural gas.

Mr. Keith also stated that the federal highway trust fund is insolvent. Congress is not looking into the future, but instead is just trying to use a band aid approach for keeping money in the trust fund – they have no real solution in mind for adequately financing the federal highway system and instead "are just kicking the can down the road."

While Amendment 3 was able to ramp up the state's transportation construction budget to a \$1.2 billion a year program, the funds have now been spent and the construction program is less than \$700 million a year and dropping. If it wasn't for Amendment 3 funds, MoDOT could not have matched federal funds several years ago.

Becky Baltz, District Engineer for MoDOT's Southwest District, provided an overview of the makeup of the region.

Ms. Baltz stated there are approximately 6,500 miles of road in the district that serves a population of about one million persons.

Ms. Baltz testified that I-44, US 60, I-49/Rt. 71, US 65, Routes 13,171,76,14 and 160 are all in need for improving congestion and growth. The total cost for improvements total between \$525 million to \$775 million.

As for bridges in the area, 80 bridges are in poor condition and 184 need some sort of improvement. Total cost for bridge repairs total about \$8 million a year.

Major routes are in need of increased funding of about \$12 million a year and the minor routes need about \$10 million more a year. Safety needs total about \$10 million a year (this would include shoulders and rumble stripes).

Ms. Baltz concluded her presentation by stating the southwest area of the state is expecting a growth rate of 38.8 percent over the next twenty years. This will place a greater burden on all modes of transportation including transit, airports, railroads, and bicycle and walking trails. In short, about \$925 million to \$1.1 billion is needed for transportation needs in the Southwest district.

Marilyn Ruestman, Newton County Commission, presented testimony by stating counties can rarely afford projects on their own and that they rely heavily on the assistance of state government to achieve their goal.

A list of projects the Newton County Commission is seeking assistance with includes:

- Improvements on minor routes such as including shoulders
- Continued planned improvement on the Bella Vista bypass

- Hwy. 71 corridor improvements
- The widening and improvements going west on Hwy. 60
- Interchange improvements along Rt. 86 and Business 71 to accommodate the construction of Mercy Hospital in Joplin (this may be accomplished by setting up a public private partnership between the city and MoDOT).

Ms. Ruestman testified that Newton County recently passed a one-quarter cent sales tax increase which will generate about \$1.4 million for local improvements. The secret to passing this tax increase was by educating the voters on how the monies are to be spent. This tax increase will sunset after 6 years.

When asked by committee member, Brian Meisel, about the current property tax rate for Newton County, Ms. Ruestman responded by saying the rate is average amongst the other counties in the state. She said to raise the property tax for transportation purposes is not a taxing option as this is a revenue stream primarily enjoyed by the public school districts.

Ms. Ruestman concluded her remarks by thanking the Blue Ribbon Committee members for serving on the panel and MoDOT for always being accessible, friendly and open to ideas.

J. Howard Fisk, Ozarks Transportation Organization (OTO), testified the goals for OTO is preservation, air quality and the enjoyment of a high quality of life.

Mr. Fisk said OTO works hard on transportation corridor improvements through various funding options and partnerships.

Mr. Fisk stated tourism is very important to the OTO region. Mr. Fisk explained how a good transportation system is important for those persons who live outside the Springfield area to commute into the local community for employment. One of the larger economic drivers for the Springfield area is the healthcare industry.

Mr. Fisk recommended to the Blue Ribbon Committee members to look at increasing the current state fuel tax rate and imposing some sort of vehicle miles traveled mechanism as revenue sources for transportation.

Scott Kosky, OATS, Inc., presented an overview of the makeup of the public transit system for the southwestern region of the state. Mr. Kosky testified that one-fourth of the OATS trips made are for employment and healthcare purposes. Mr. Kosky said public transit is important for the populated urban areas of the state just as it is important to the rural areas because of the isolated areas where some folks live and have to commute.

Mr. Kosky suggested to the committee they consider working with the Missouri legislature that transit be part of the overall transportation funding package.

Cherry Warren, Barry County Commission, thanked MoDOT for the past transportation improvements by working with the county commission.

Mr. Warren focused his comments on improvements needed along Rt. 60 and Rt. 37 between Monett to Arkansas. According to Mr. Warren, improvements to this corridor will help attract more persons to this area of the state.

Mr. Warren suggested to the Blue Ribbon Committee that they consider the following options for increasing revenues for transportation:

- Merge road districts
- Look at increasing the sales tax rate
- Maybe increase a combination of the fuel tax rate along with a sales tax increase
- Any funding package will need to include a sunset provision

Mr. Warren concluded his remarks by stating it is important that every region of the state understand what they will be receiving if they are to support a revenue increase for transportation.

David Hertzberg, Joplin Area Chamber of Commerce, testified on the importance of improving transportation infrastructure in Missouri – improvements that will "draw-in" taxpayers from other states to help pay for costs associated with the various improvements. For example, improvements along Rt. 171 (an east and west corridor) and improvements to I-44 interchanges could help the western side of Joplin by attracting persons from out of state to stop and shop in the surrounding area.

Mr. Hertzberg, also made a point to thank MoDOT (especially Becky Baltz) during last year's tornado which severely impacted the city of Joplin. Mr. Hertzberg said that just by MoDOT repairing/replacing 18 traffic signals in the area were important enough to regain a little "normalcy" to the area after the devastating tornado.

Chief Rich Stirtz, Logan Rogersville Fire Protection District, testified that he has concerns with the limited access points along Hwy. 60. Chief Stirtz said there are too many crossover accidents in the area and that stop lights and turn lanes have helped, but they are not the solution to the problem.

Chief Stirtz also stated that at Highland Springs and Rt. NN needs improvements and there needs to be improvements along Hwy. 60 to Poplar Bluff by building more limited access points along the corridor.

Randy Pike, Bates County Commission, testified that the BRO bridge program is very important to Bates County. Mr. Pike said that I-49 and Rt. 13 are both important corridors that help the economy of Bates County.

Mr. Pike spoke on the need to improve shoulders and add asphalt overlays along the minor routes in the county (especially for those areas where moving farming equipment is important) and the need to build ramps on the overpass at I-49 and Rt. TT which will help the city of Butler.

C.W. Williams, O-Reilly Automotive, said that his company traveled about 1.9 million miles to distribute merchandise to its customers last year and that they depend on a good transportation system for their goods to be delivered.

Mr. Williams said a good transportation system is important to economic growth and helps rural areas of the state to grow. He said he likes the minor routes with rumble stripes and brighter signs. However, additional safety improvements such as guardrails, signage and roadway shoulders are still needed.

Mr. Williams concluded by suggesting that the Blue Ribbon Committee look into imposing "impact fees" such as those implemented in Virginia to assist with generating revenues for transportation purposes.

Randy Pogue, City of Warsaw, suggested to the committee that Hwy. 65 be tied into I-35. This connection would help attract more tourists into Missouri.

Mr. Pogue also said don't forget the agriculture industry when making improvements to road projects.

Mr. Pogue said the city of Warsaw has passed local tax increases in the past and it was done so by educating local voters on what they were going to receive from their support of a revenue generating package.

Mr. Peter Herschend, Silver Dollar City, testified on the importance of passing a statewide transportation funding initiative for all modes of transportation. However, if enough support to pass a statewide tax initiative cannot be generated then another alternative should be considered. "Plan B" could be established that could allow Transportation Improvement Districts (TID) to be set up in various regions of the state to allow voters the opportunity to vote on their own capital improvement plans.

Mr. Herschend used the example where the city of Springfield has been able to receive voter approval seven different times for its capital improvement program. The first time it was passed by the local voters was in 1989.

Sam Gibbons, City of Clinton, testified that with revenues declining, cities are doing more with less.

Mr. Gibbons said that improvements to Rt. 13 such as four-laning will promote economic growth. Mr. Gibbons supports a sales tax increase as the best way to fund transportation.

Carol Cruise, City Utilities of Springfield, spoke on the decrease in state supported funding currently received by 33 transit providers throughout Missouri. Funding, via the legislative process, has decreased over a decade from \$8.3 million to \$500,000. Ms. Cruise said there is over \$200 million in transit needs across the state.

Ms. Cruise testified that for the Springfield area, 25 percent of the ridership is riders who are 25 years old and younger; younger folks are driving less and are looking for other mode of travel. Increased funding could assist the local transit program to help more persons who want to use transit as a way to travel from and to work, home and school.

As part of her presentation, Ms. Cruise introduced Robby Marsalis to the committee. Mr. Marsalis provided personal testimony on the importance of using public transportation and how he and his family save \$80.00 a month in fuel cost by not driving their personal automobiles.

Tom Short, City of Carthage, acknowledged MoDOT for working together on various past costshare projects (referring to the Rt. 71 and Fairview Ave. interchange).

Mr. Short said improvements are needed along Rt. HH to accommodate the needs of an elementary school, hospital community improvement district and a retail strip mall. Mr. Short also said the city needs about \$13 million for bridge improvements.

John Hancock, Prime Trucking, testified that the role of government is to provide a transportation system for the state.

Mr. Hancock said that commercial trucks pay about 4 to 6 times more than cars.

Mr. Hancock said tax options available for increase revenues for transportation include public private partnerships/tolling; increasing the fuel tax; increase the statewide sales tax; increase registration fees; and implementing some sort of vehicle miles travel tax. Mr. Hancock discussed the "leakage" that several of these proposals include, meaning not all of the revenues derived from a tax increase would go to the state, but instead would go to other political subdivisions or private concessionaires in the case of a public private partnership.

Mr. Hancock said Prime Trucking is opposed to tolling because it is a tax that will only increase the cost of doing business; a tax that is passed on to directly to the consumer.

Mr. Hancock encouraged the Blue Ribbon Committee members to look at Rep. Thomas Long's HB 1874 that was introduced during the 2012 legislation session. In short, this proposal encompassed several different taxing options that could be considered as a way to generate revenues for transportation infrastructure in Missouri.

Mr. Louis Griesemer, Springfield Underground, testified on the importance of the Hwy. 65 and I-44 corridors.

Mr. Grisemer stated that as the economy improves vehicle miles traveled will also increase which will mean greater wear and tear on Missouri's roads. Mr. Grisemer suggested greater use of public private partnerships as a way to finance future transportation projects.

J.D. Kerhman, City of Nevada, testified that one in five jobs in Nevada are affiliated with manufacturing (i.e. 3M plant). Because of the trucking and manufacturing industries, private employment is 27 to 30 percent in Nevada. In sum, Mr. Kerhman wants the Blue Ribbon

Committee to be mindful of what kind of future jobs can be created with a tax increase and the impact it could have on its existing population.

Rick Ziegenfuss, City of Hollister, suggested to the Blue Ribbon Committee that an increased emphasis be placed on the use of public private partnerships in the next funding package.

Mr. Ziegenfuss stated that MoDOT has a lot of road to maintain (of the 33,000 miles of roads MoDOT maintains; 6,000 miles are considered as major routes and 27,000 miles are minor routes). Mr. Ziegenfuss suggested spending less money on the lesser traveled routes. It was also suggested that the state get rid of city streets currently maintained by the state (i.e. Kearney).

Mr. Ziegenfuss testified there are three things that need to be considered when discussing increasing funding for transportation:

- 1. Ask the private sector to pay more as it relates to public private partnerships.
- 2. Keep MoDOT's cost-share program funded.
- 3. Get rid of state-owned and maintained letter routes and city streets.

Steve Stockham, Joplin Regional Airport, testified that the aviation system is a vital part of a total transportation system. He said that economic development starts with an aviation program. Aviation is a business and is self-supporting.

Mr. Stockham said money is needed for capital improvements. While MoDOT helps administer the aviation program, there are financial needs that equate to about \$35 million a year.

Steve Childers, City of Ozark, suggested to the Blue Ribbon Committee they look into a combination of sales taxes and other tax revenues for transportation purposes.

Mr. Childers said increasing the state sales tax rate hurts the local political subdivisions ability to generate money for future local capital improvement projects. By harming local governments ability to raise sales taxes hurts their ability to match state funds.

As a smaller city, Mr. Childers said the city of Ozark cannot afford to take over any streets currently maintained by MoDOT because they do not have the funds to do so.

Pam Holt, Mercy Hospital, testified that 2011 was an all time low on the number of state fatalities. Unfortunately, in 2012, deaths on Missouri's roads are already 20 percent higher than last year because there is a reduction of transportation funds for safety improvements.

Ms. Holt said car crashes are 21 percent of the business conducted at Mercy Hospital and that Missouri should consider passing a primary belt law. Seventy percent of the deaths on Missouri's highways are due to folks not wearing safety belts. A primary safety belt law saves lives and promotes economic development.

Ms. Holt stated that injuries sustained by a person involved in a traffic accident who is not wearing their safety belt costs about \$81,000 - on the average - in medical expenses. A person

who is wearing their seat belt and is involved in a traffic accident the average medical cost is about \$25,000.

Nick Heatherly, City of Willard, testified that Hwy. 160 from the two-lane section of highway to the four-laning of the corridor needs shoulders. Also rumble stripes, mowing and signage would be an added benefit to the area.

Mr. Heatherly suggested to the Blue Ribbon Committee that they not play the "shellgame" by reducing one source of revenue (i.e. fuel tax) for an increase in another source (i.e. sales tax).

Mr. Heatherly testified that because of the size of his city, they are unable to partner with MoDOT because their revenues are needed for operation purposes; the city cannot come up with a twenty percent match. A one-half cent sales tax increase generates about \$175,000 a year.

Terry Whaley, Ozark Greenways, testified on the "Let's Go Smart" program designed to encourage persons to travel smart and to think ahead on what type of mode of transportation would be the best way to travel.

Mr. Whaley encouraged the Blue Ribbon Committee to make sure that future design policies include bike paths and walking trails as part of the overall transportation system. Mr. Whaley said that solutions change habits and that younger persons are driving less (for example) and the state needs to diversify its limited transportation funding.

Alan Marble, Crowder College, appreciated the Blue Ribbon Committee members' willingness to serve on the panel. Mr. Marble said that highway safety is important and that there should be a higher consideration given for bicycle and pedestrian safety such as brighter lights and signs.

Gib Garrow, Neosho Area Chamber of Commerce, recognizes the need for MoDOT to get smaller, but he hopes the appropriate public service continues without impacting the traveling public. Mr. Garrow stated that he supports a sales tax increase. It's Mr. Garrow's opinion that a sales tax increase of any sort is going to be passed on to the customer.

I-49 is very significant to the southwest area of the state and Mr. Garrow supports Mr. Herschend's recommendation to divide the state up into districts in order to generate significant funds to build projects for those persons who are willing to tax themselves.

Mr. Dave Liebenow, Table Rock Lake Chamber of Commerce, testified the chamber is reliant on tourism and that a good transportation system is important.

Mr. Liebenow, stated there is a pressure point along Rt. 13 in Stone County where four-lanes of traffic merges on to a two-lane bridge. Also, off Rt. 465 there is a two-lane route at Silver Dollar City which is creating traffic backup.

Mr. Liebenow said to please keep in mind future pedestrian and bicycle paths for Kimberling City.

Rep. Thomas Long (R-Springfield) discussed with the Blue Ribbon Committee members the fiscal impact of legislation he introduced during the 2012 legislative session that would increase revenues for transportation in Missouri.

HB 1874 would remove the state's current seventeen cents per gallon gasoline tax and replace it with a 7/10 percent state sales tax increase, implement a sales tax on gasoline and increase the diesel fuel tax to twenty-seven cents per gallon. The proposal would generate about \$450 million a year.

Rep. Long said the need for increasing funding for transportation needs to happen now. The Representative believes that increased freight will be coming up the Panama Canal in the very near future and Missouri needs to be prepared as a national logistics hub of North America (referring to I-70, I-44 and its underutilized airports).

Rep. Long would like to see the voters of Missouri have the chance to vote on a funding package in 2013.

Jim Ratkey, an avid bicyclist, testified on the need for MoDOT to adequately sign along Rt. 13 and other lettered routes forewarning motorists about sharing the road with bicyclists.

The next meeting for the Blue Ribbon Citizens Committee is scheduled for June 29, at the Show-Me Center in Cape Girardeau, at 10:00 a.m.

The meeting was adjourned.